

**AMEND SECTION MCA 7-15-4286 (2)(a)**

**7-15-4286. Procedure to determine and disburse tax increment.** (1) Mill rates of taxing bodies for taxes levied after the effective date of the tax increment provision must be calculated on the basis of the sum of the taxable value, as shown by the last equalized assessment roll, of all taxable property located outside the urban renewal area, industrial district, technology district, or aerospace transportation and technology district and the base taxable value of all taxable property located within the area or district. The mill rate determined must be levied against the sum of the actual taxable value of all taxable property located within as well as outside the area or district.

(2) (a) The tax increment, if any, received in each year from the levy of the combined mill rates of all the affected taxing bodies against the incremental taxable value within the area or district, except for the university system, state public school fund and public employee retirement mills levied and assessed against property, must be paid into a special fund held by the treasurer of the municipality and used as provided in 7-15-4282 through 7-15-4299.

(b) The balance of the taxes collected in each year must be paid to each of the taxing bodies as otherwise provided by law.

**Constitution of Montana -- Article X -- EDUCATION AND PUBLIC LANDS**

**Section 1. Educational goals and duties.** (1) It is the goal of the people to establish a system of education which will develop the full educational potential of each person. Equality of educational opportunity is guaranteed to each person of the state.

(3) The legislature shall provide a basic system of free quality public elementary and secondary schools. The legislature may provide such other educational institutions, public libraries, and educational programs as it deems desirable. It shall fund and distribute in an equitable manner to the school districts the state's share of the cost of the basic elementary and secondary school system.

**Section 3. Public school fund inviolate.** The public school fund shall forever remain inviolate, guaranteed by the state against loss or diversion.

**Constitution of Montana -- Article VIII -- REVENUE AND FINANCE**

**Section 15. Public retirement system assets.** (1) Public retirement systems shall be funded on an actuarially sound basis. Public retirement system assets, including income and actuarially required contributions, shall not be encumbered, diverted, reduced, or terminated and shall be held in trust to provide benefits to participants and their beneficiaries and to defray administrative expenses.

(2) The governing boards of public retirement systems shall administer the system, including actuarial determinations, as fiduciaries of system participants and their beneficiaries.

**AMEND SECTION MCA 7-15-4286 (2)(a)**

**7-15-4286. Procedure to determine and disburse tax increment.** (1) Mill rates of taxing bodies for taxes levied after the effective date of the tax increment provision must be calculated on the basis of the sum of the taxable value, as shown by the last equalized assessment roll, of all taxable property located outside the urban renewal area, industrial district, technology district, or aerospace transportation and technology district and the base taxable value of all taxable property located within the area or district. The mill rate determined must be levied against the sum of the actual taxable value of all taxable property located within as well as outside the area or district.

(2) (a) The tax increment, if any, received in each year from the levy of the combined mill rates of all the affected taxing bodies against the incremental taxable value within the area or district, except for the university system, state public school fund and public employee retirement mills levied and assessed against property, must be paid into a special fund held by the treasurer of the municipality and used as provided in 7-15-4282 through 7-15-4299.

(b) The balance of the taxes collected in each year must be paid to each of the taxing bodies as otherwise provided by law.

**Constitution of Montana -- Article X -- EDUCATION AND PUBLIC LANDS**

**Section 1. Educational goals and duties.** (1) It is the goal of the people to establish a system of education which will develop the full educational potential of each person. Equality of educational opportunity is guaranteed to each person of the state.

(3) The legislature shall provide a basic system of free quality public elementary and secondary schools. The legislature may provide such other educational institutions, public libraries, and educational programs as it deems desirable. It shall fund and distribute in an equitable manner to the school districts the state's share of the cost of the basic elementary and secondary school system.

**Section 3. Public school fund inviolate.** The public school fund shall forever remain inviolate, guaranteed by the state against loss or diversion.

**Constitution of Montana -- Article VIII -- REVENUE AND FINANCE**

**Section 15. Public retirement system assets.** (1) Public retirement systems shall be funded on an actuarially sound basis. Public retirement system assets, including income and actuarially required contributions, shall not be encumbered, diverted, reduced, or terminated and shall be held in trust to provide benefits to participants and their beneficiaries and to defray administrative expenses.

(2) The governing boards of public retirement systems shall administer the system, including actuarial determinations, as fiduciaries of system participants and their beneficiaries.

**20-9-309. Basic system of free quality public elementary and secondary schools defined -- identifying educationally relevant factors -- establishment of funding formula and budgetary structure -- legislative review.** (1) Pursuant to Article X, section 1, of the Montana constitution, the legislature is required to provide a basic system of free quality public elementary and secondary schools throughout the state of Montana that will guarantee equality of educational opportunity to all.

(2) As used in this section, a "basic system of free quality public elementary and secondary schools" means:

(3) In developing a mechanism to fund the basic system of free quality public elementary and secondary schools and in making adjustments to the funding formula, the legislature shall, at a minimum, consider the following educationally relevant factors:

- (a) the number of students in a district;
  - (b) the needs of isolated schools with low population density;
  - (c) the needs of urban schools with high population density;
  - (d) the needs of students with special needs, such as a child with a disability, an at-risk student, a student with limited English proficiency, a child who is qualified for services under 29 U.S.C. 794, and gifted and talented children;
  - (e) the needs of American Indian students; and
  - (f) the ability of school districts to attract and retain qualified educators and other personnel.
- (4) By July 1, 2007, the legislature shall:

(a) determine the costs of providing the basic system of free quality public elementary and secondary schools;

(b) establish a funding formula that:

(i) is based on the definition of a basic system of free quality public elementary and secondary schools and reflects the costs associated with providing that system as determined in subsection

(4)(a);

(ii) allows the legislature to adjust the funding formula based on the educationally relevant factors identified in this section;

(iii) is self-executing and includes a mechanism for annual inflationary adjustments;

(iv) is based on state laws;

(v) is based on federal education laws consistent with Montana's constitution and laws;  
and

(vi) distributes to school districts in an equitable manner the state's share of the costs of the basic system of free quality public elementary and secondary schools; and

(c) consolidate the budgetary fund structure to create the number and types of funds necessary to provide school districts with the greatest budgetary flexibility while ensuring accountability and efficiency.

(5) At least every 10 years following April 7, 2005, the legislature shall:

(a) authorize a study to reassess the educational needs and costs related to the basic system of free quality public elementary and secondary schools; and

(b) if necessary, incorporate the results of those assessments into the state's funding formula.

**History:** En. Sec. 2, Ch. 208, L. 2005.

**20-9-309. Basic system of free quality public elementary and secondary schools defined -- identifying educationally relevant factors -- establishment of funding formula and budgetary structure -- legislative review.** (1) Pursuant to Article X, section 1, of the Montana constitution, the legislature is required to provide a basic system of free quality public elementary and secondary schools throughout the state of Montana that will guarantee equality of educational opportunity to all.

(2) As used in this section, a "basic system of free quality public elementary and secondary schools" means:

(3) In developing a mechanism to fund the basic system of free quality public elementary and secondary schools and in making adjustments to the funding formula, the legislature shall, at a minimum, consider the following educationally relevant factors:

- (a) the number of students in a district;
- (b) the needs of isolated schools with low population density;
- (c) the needs of urban schools with high population density;
- (d) the needs of students with special needs, such as a child with a disability, an at-risk student, a student with limited English proficiency, a child who is qualified for services under 29 U.S.C. 794, and gifted and talented children;
- (e) the needs of American Indian students; and
- (f) the ability of school districts to attract and retain qualified educators and other personnel.

(4) By July 1, 2007, the legislature shall:

- (a) determine the costs of providing the basic system of free quality public elementary and secondary schools;
  - (b) establish a funding formula that:
    - (i) is based on the definition of a basic system of free quality public elementary and secondary schools and reflects the costs associated with providing that system as determined in subsection (4)(a);
    - (ii) allows the legislature to adjust the funding formula based on the educationally relevant factors identified in this section;
    - (iii) is self-executing and includes a mechanism for annual inflationary adjustments;
    - (iv) is based on state laws;
    - (v) is based on federal education laws consistent with Montana's constitution and laws;
- and

(vi) distributes to school districts in an equitable manner the state's share of the costs of the basic system of free quality public elementary and secondary schools; and

(c) consolidate the budgetary fund structure to create the number and types of funds necessary to provide school districts with the greatest budgetary flexibility while ensuring accountability and efficiency.

(5) At least every 10 years following April 7, 2005, the legislature shall:

- (a) authorize a study to reassess the educational needs and costs related to the basic system of free quality public elementary and secondary schools; and
- (b) if necessary, incorporate the results of those assessments into the state's funding formula.

**History:** En. Sec. 2, Ch. 208, L. 2005.

**TAX INCREMENT FINANCING DIS**  
**TY2009 Taxable Value of Increment and Revenue**

#	County	District	Year Created	2009 Total Taxable Value	Taxable Value of Base	Incremental Taxable Value	State Gen Fund	Vo Tech
<b>Industrial Tax Increment Financing</b>								
1	Big Horn	Hardin Industrial	2004	\$257,696	\$465,144	(\$207,448)	\$0	
2	Cascade	Grt Falls-Airport	2008	\$106,168	\$107,149	(\$981)	\$0	
3	Cascade	Grt Falls-IMC	2005	\$656,851	\$347,683	\$309,168	\$29,371	
4	Cascade	Grt Falls-West Bank	2007	\$398,859	\$237,928	\$160,931	\$15,288	
5	Cascade	Grt Falls-West Bank	2007	\$99,248	\$54,322	\$44,926	\$4,268	
6	Cascade	Manchester Exit	2008	\$4,800	\$3,217	\$1,583	\$150	
7	Cascade	Montana Milling	2008	\$386	\$381	\$5	\$0	
8	Deer Lodge	TID2	1996	\$67,193	\$39,274	\$27,919	\$2,652	
9	Deer Lodge	TID2A	1996	\$20,213	\$18,153	\$2,060	\$196	
10	Deer Lodge	TID4	2008	\$1,157,885	\$909,339	\$248,546	\$23,612	
11	Flathead	Kalispell H (Old School I)	2006	\$14,289	\$128	\$14,161	\$1,345	
12	Gallatin	Mandeville Farm Industrial	2006	\$69,799	\$12,059	\$57,740	\$5,485	
13	Lincoln	Lincoln Industrial 4F	2001	\$1,211	\$1,409	(\$198)	\$0	
14	Lincoln	Lincoln Industrial 4I	2001	\$845	\$982	(\$137)	\$0	
15	Lincoln	Lincoln Industrial 4out	2001	\$104,554	\$83,275	\$21,279	\$2,022	
16	Missoula	Msla- 20-3A Airport	1991	\$2,248,148	\$176,605	\$2,071,543	\$196,797	
17	Park	Livingston T-2 West End	2004	\$227,598	\$128	\$227,470	\$21,610	
18	Silver Bow	TIFID #2 (Ramsey)	1994	\$10,644,616	\$1,721,230	\$8,923,386	\$847,722	
19	Toole	Toole Co TIF	2008	\$87,089	\$85,300	\$1,789	\$170	
<b>Technology Tax Increment Financing D</b>								
20	Flathead	Kalispell G (Old School Technology)	2005	\$75,854	\$390	\$75,464	\$7,169	
21	Missoula	Msla- 20-3E Technology	2006	\$279,491	\$0	\$279,491	\$26,552	
<b>Urban Renewal Tax Increment Financing</b>								
22	Chouteau	TIFD1 (Fort Benton)	1998	\$168,507	\$160,843	\$7,664	\$728	
23	Deer Lodge	TID1	1996	\$481,798	\$426,304	\$55,494	\$5,272	
24	Flathead	Kalispell-B (2)	1995	\$1,413,397	\$453,612	\$959,785	\$91,180	
25	Flathead	Kalispell-C (3)	1997	\$3,713,053	\$3,222,347	\$490,706	\$46,617	
26	Flathead	Whitefish	1987	\$10,623,586	\$4,185,352	\$6,438,234	\$611,632	
27	Gallatin	Bozeman Downtown	1995	\$3,280,578	\$1,328,695	\$1,951,883	\$185,429	
28	Gallatin	N 7th Corridor Urb R	2006	\$3,337,622	\$2,886,997	\$450,625	\$42,809	
29	Gallatin	NE Urban Renewal Dist	2006	\$525,708	\$423,054	\$102,654	\$9,752	
30	Lake	Polson DT	2002	\$1,383,251	\$1,401,542	(\$18,291)	\$0	
31	Lincoln	Riverside (Eureka)	2005	\$419,510	\$347,928	\$71,582	\$6,800	
32	Missoula	Msla-1-1C Renewal Dst II	1991	\$2,956,742	\$1,546,186	\$1,410,556	\$134,003	
33	Missoula	Msla-1-1d Renewal Dst III	2001	\$9,541,856	\$7,004,346	\$2,537,510	\$241,063	
34	Missoula	Msla-4-1c Renewal Dst II	1991	\$663,673	\$313,637	\$350,036	\$33,253	
35	Missoula	Urb Renewal 1-1F Frnt St	2007	\$1,622,092	\$1,413,035	\$209,057	\$19,860	
36	Missoula	Urban Renewal Riverfrnt	2008	\$133,871	\$157,858	(\$23,987)	\$0	
37	Park	Livingston T-1 Urban Renewal	2003	\$1,742,929	\$1,604,273	\$138,656	\$13,172	
38	Silver Bow	Butte-East	2005	\$337,089	\$286,251	\$50,838	\$4,830	
39	Silver Bow	Butte-Up Town	2005	\$4,164,562	\$1,637,631	\$2,526,931	\$240,058	
40	Yellowstone	Billings 23T5 - South Billings Blvd	2008	\$3,547,197	\$3,334,819	\$212,378	\$20,176	
41	Yellowstone	Billings 2T3 - North 27th	2005	\$1,086,832	\$783,431	\$303,401	\$28,823	
42	Yellowstone	Billings 2T3A - Expanded North 27th	2008	\$3,839,072	\$3,328,807	\$510,265	\$48,475	
43	Yellowstone	Billings 2T4- East Billings	2007	\$1,918,377	\$1,800,794	\$117,583	\$11,170	
44	Yellowstone	Billings 2T5 - South Billings Blvd	2008	\$4,117,500	\$3,893,167	\$224,333	\$21,312	
45	Yellowstone	Laurel 7TI Extended	2008	\$1,596,406	\$1,169,223	\$427,183	\$40,582	
<b>TOTAL</b>								
				\$ 79,138,001	\$ 47,374,228	\$ 31,763,773	\$ 3,041,407	\$